

RESEARCH REPORT

Trade Trends of Developing Countries, 1990 to 2001



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Executive Summary

Developing countries' trade performance has been improving steadily since 1990. Their exports of goods and services have grown almost 8 percent annually, growth considerably more rapid than in developed countries. In fact, developing countries today account for almost one-third of world exports, as compared to less than one-fourth a decade ago. They also have increased their share of developed country markets.

In 2001, global trade declined, largely because of a general slowdown in growth, including a recession in the United States and contraction in the information and communications sectors. Consistent with that decline, exports from developing countries fell almost 4 percent to \$2.4 trillion. With the exception of the economies of Central and Eastern Europe, the Baltics, and the Commonwealth of Independent States, every developing region experienced deterioration in exports. Developing country merchandise exports were \$1,972 billion, a 4.9 percent decline from 2000. At the same time, their exports of commercial services rose to almost \$400 billion.

A handful of countries—China, the newly industrialized economies in Asia, and Mexico—dominate developing countries' trade in goods and services. The top ten account for more than 58 percent of goods exports and 56 percent of services exports. Merchandise trade continues to account for the bulk of developing countries' exports, but services exports are important to export earnings, amounting to 17 percent of total exports in 2001.

Trade performance varies considerably by region and country. In 2001, exports from Latin America and Caribbean (LAC) nations totaled more than \$405 billion, 3.3 percent lower than in 2000. LAC today accounts for just more than 17 percent of developing country exports. Merchandise exports were about \$347 billion and services exports slightly more than \$58 billion. Mexico is LAC's single largest exporter, shipping almost \$159 billion worth of goods and \$13 billion in services in 2001, or about 42 percent of total LAC exports. The composition of exports varies among LAC countries. Merchandise exports from Mexico and certain Central American and Caribbean nations consist largely of manufactured goods, while exports from South America have a greater share of primary commodities. Earnings of South American exporters, therefore, are vulnerable to shifts in commodity prices.

Nations of Central and Eastern Europe, the Baltics, and the Commonwealth of Independent States (CE/B/CIS) exported about \$342 billion in goods and services in 2001, or a little more than 14 percent of total developing country exports. Merchandise exports were \$285.6 billion and services exports came to \$56.1 billion. Export growth has been strong in the region since 1998, the first year for which reliable, consolidated statistics are available. Its global market share has increased by 15 percent in the past three years. In contrast to the rest of the world, the region's exports rose by more than 6 percent in 2001. The Russian Federation accounts for about a third of the region's exports. Manufactures make up the bulk of merchandise exports from many of the countries in Eastern Europe and the Baltics, but primary commodities still come to about 75 percent of goods exports from the Russian Federation.

Developing Asia's (Asia) exports totaled about \$1.2 trillion in 2001, a 5.4 percent decline from 2000. Since 1990, Asia's exports have risen by about 9 percent annually, and Asia today accounts for half of all developing country exports of goods and services. Merchandise exports in 2001 were \$961 billion, or 7 percent lower than in 2000; commercial services exports rose 2.5 percent to \$219 billion. Greater China (China, Hong Kong and Chinese Taipei) accounts for almost 43 percent of Asia's exports. If ASEAN nations are added, that share rises to about 75 percent. Manufactures make up about 84 percent of merchandise exports. While China and ASEAN nations dominate merchandise exports, Korea and India also are important commercial services exporters.

Sub-Saharan Africa's (SSA) exports in 2001 totaled \$107.2 billion or 4.5 percent of developing country exports. SSA's exports were about 2 percent less than in 2000. Merchandise exports came to almost \$92 billion, a 3.3 percent decline from 2000, while commercial services exports were up 6.6 percent to \$15.5 billion. South Africa, the region's largest exporter, accounts for almost a third of SSA's goods exports. It and Nigeria combined make up more than half of SSA's goods exports. Many SSA exporters still depend on exports of agricultural and mining commodities, with shipments of primary products sometimes making up all of a country's goods exports. These countries are therefore vulnerable to shifts in primary commodity prices.

Exports from the Middle East and North Africa (ME/NAF) were \$319 billion in 2001, almost 9 percent lower than in 2000. ME/NAF accounted for about 13.5 percent of developing country exports in 2001. Merchandise exports were \$286.4 billion, down 9 percent from 2000 and exports of commercial services were almost \$32.6 billion, an almost 7 percent decline. Saudi Arabia accounts for nearly 25 percent of the region's goods exports, with the United Arab Emirates and Israel together making up almost 60 percent of the region's merchandise shipments. Not surprisingly, changing oil prices have a major impact on exports. The run-up in exports in 1999 and 2000 and the decline in 2001 were tied to petroleum prices. Export composition differs greatly between oil exporters and other countries. Israel, Tunisia, Jordan, and Morocco depend largely on manufactures for export earnings, while others depend on primary products.

1. Introduction

In this paper we review trends in developing countries' global exports in goods and services from 1990 to 2001, with a focus on changes in 2001. Where possible, we examine regional trends by major traders and by sector. We have based our review on trade information available in publicly accessible databases as of November 1, 2002, relying especially on statistics compiled by the World Trade Organization (WTO) and the U.S. International Trade Commission (USITC).¹ When data for 2001 are not available, we use the most recent data available, noting the date.

For this assessment we have modified the country groupings used by the WTO. The WTO defines developing countries as Africa, developing Asia, developing Europe (Western Europe less the members of the EU and the European Free Trade Area), the Middle East, and Latin America and the Caribbean. We base our regional definitions on those in USAID's report "United States Government Initiatives to Build Trade Related Capacity in Developing and Transition Economies" (October 2001). We define developing countries as sub-Saharan Africa; developing Asia (excluding Australia, Japan and New Zealand); Central and Eastern Europe, the Baltics, and the Commonwealth of Independent States (CIS); Latin America and the Caribbean (including Mexico); and the Middle East/North Africa. In contrast to the WTO, we include Central and Eastern Europe, the Baltics, and the CIS. We also shift countries among regions. The composition of country groups is presented in the appendix.

We also have made a technical modification to the WTO merchandise export data for "developing Asia." To the extent possible, we exclude re-exports (i.e., goods made in one country and shipped through another) from both Hong Kong and Singapore. The WTO routinely excludes re-exports from Hong Kong on the grounds that including the shipments would result in significant double counting of exports from Asia. It does not do so for Singapore, even though almost half of Singapore's exports are re-exports. When possible, therefore, we also have excluded re-exports from Singapore from export figures for developing Asia. As a result, our merchandise export figures for developing Asia are lower than those reported by the WTO.

¹ WTO, "Participation of Developing Countries in World Trade: Recent Developments, and Trade of the Least-Developed Countries," WT/COMTD/W/100, 19 June 2002; WTO, *International Trade Statistics 1999*, November 1999; WTO, *International Trade Statistics 2000*, November 2000; WTO, *International Trade Statistics 2001*, October 2001; WTO, *International Trade Statistics 2002*, October 2002; U.S. International Trade Commission, Dataweb online trade data service for U.S. trade data with selected countries.

2. Global and Developing Country Trade

Total world trade (exports of merchandise and commercial services) has grown an average of 5.4 percent annually since 1990. In 2001, however, the total value of world trade contracted 3.5 percent, falling from a record \$7,656.8 billion in 2000 to \$7,386.9 billion. Exports from developed countries fell 3.4 percent, dropping from \$5,145.9 billion in 2000 to \$5,018.0 billion in 2001. Exports from developing countries totaled \$2,368.9 billion, 3.9 percent lower than in 2000.

GLOBAL MERCHANDISE TRADE

For the first time since 1982, global merchandise trade, excluding services, shrank in 2001, falling 1.5 percent in volume and 4.3 percent in value. This marked a sharp turnaround from 2000, when merchandise exports were a record \$6,191.8 billion, an 11 percent jump over 1999. The decline was caused by the significant slowdown in global economic growth to 1.5 percent, fed by economic downturns in major developed country markets and the impact of the global meltdown in information technology trade, which significantly affected exports from East Asia. Developed country merchandise exports in 2001 were \$3,956.7 billion, 3.9 percent lower than in 2000. Developing country merchandise exports fell by 4.9 percent to \$1,972.0 billion from \$2,073.9 billion in 2000.

Global agricultural exports declined 1 percent in 2001 and totaled \$547.5 billion: \$343.2 billion from developed and \$204.3 billion from developing countries. Mining exports (minerals and fuel) fell by 8 percent in 2001 to \$790.4 billion. In manufactures, exports dropped to \$4,477.0 billion, a 4.4 percent decline. Developed country manufactures exports were \$3,140.1 billion, while developing country manufactures exports were \$1,336.7 billion.

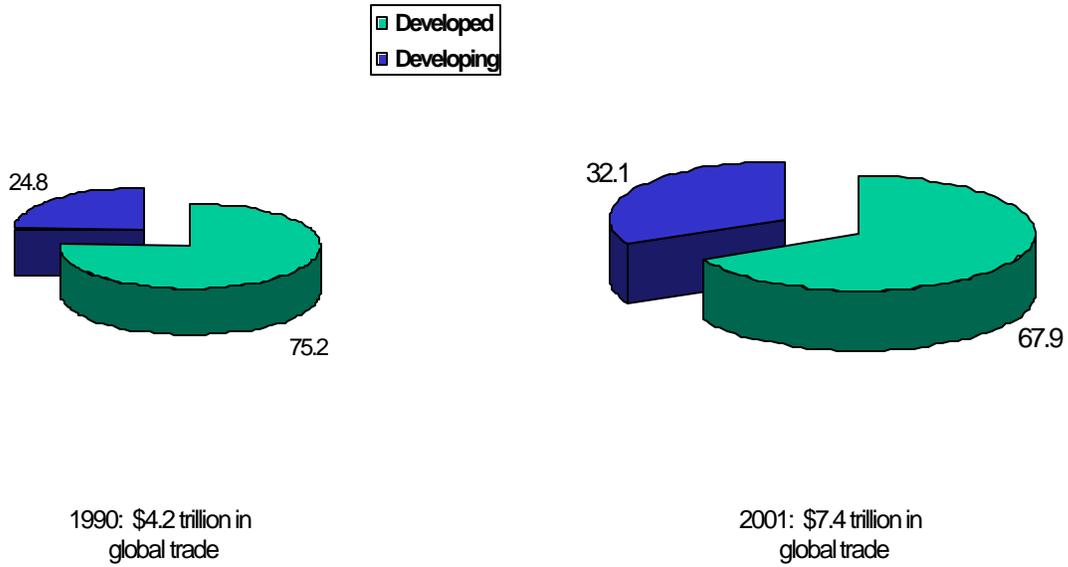
DEVELOPING COUNTRY TRADE

Nearly every developing country or region experienced deterioration in its exports in 2001, with total exports contracting 3.9 percent. The exception was countries of Central and Eastern Europe, the Baltics, and the Commonwealth of Independent States (CE/B/CIS), whose total exports grew by about \$ 20 billion. While merchandise exports declined 4.9 percent from 2000, commercial services exports rose 1.7 percent to \$396.9 billion.

Share of Global Trade

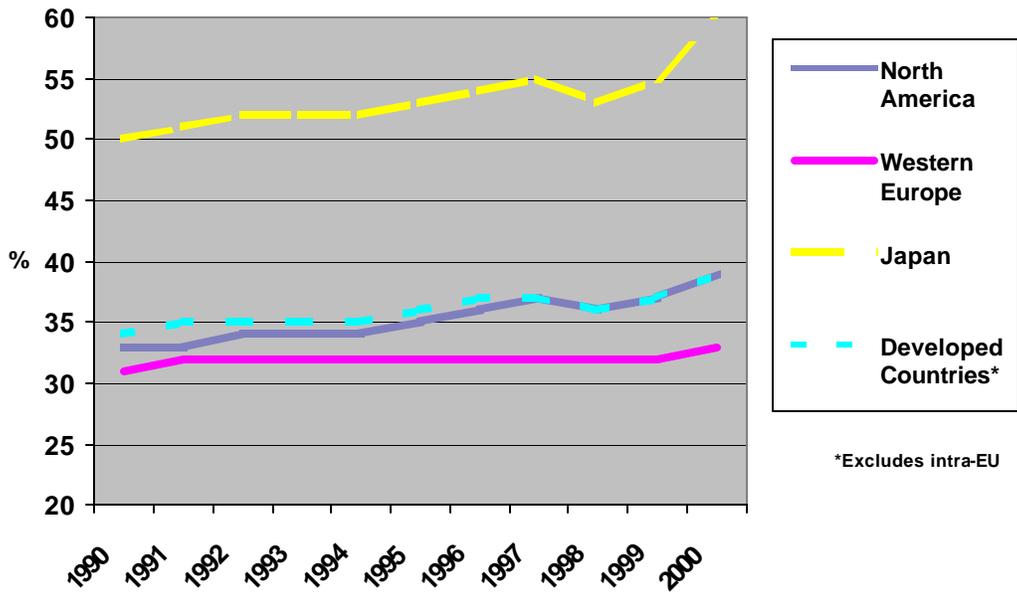
Since 1990, developing countries' share of global trade has increased from less than one-quarter to almost one-third (see Figure 2-1). Their share of merchandise exports has risen from 28.8 percent to 33.2 percent and their share of global services exports has risen from 20.7 percent to 27.2 percent. This trend is reflected in developing countries' growing share of developed-country imports (see Figure 2-2). Developing countries today account for 60 percent of Japan's imports and almost 40 percent of North America's.

Figure 2-1. Share of Developing and Developed Countries in Global Exports, 1990 and 2001



SOURCE: WTO

Figure 2-2. Developing Countries' Share of Developed Country Imports, 1990–2001

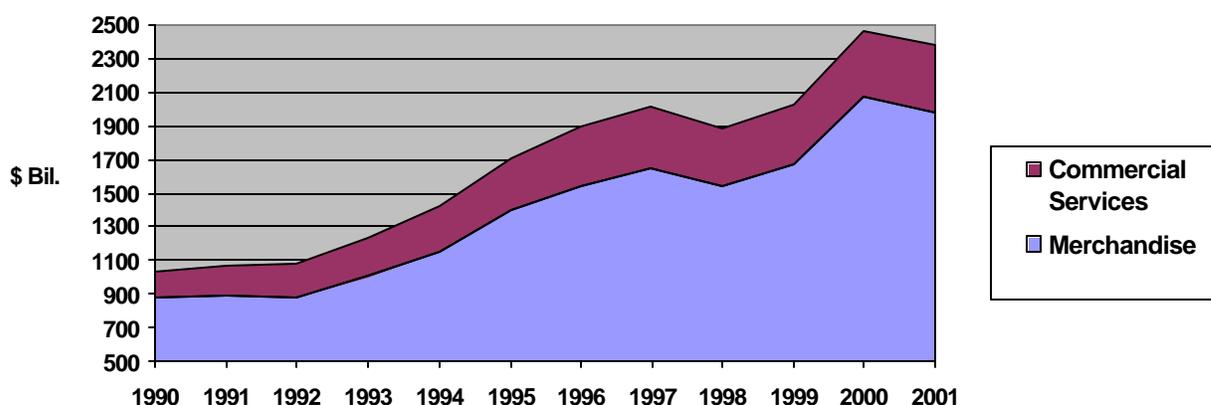


SOURCE: WTO.

Export Composition

Since 1990, exports from developing countries have grown at an average annual rate of 7.8 percent—7.7 percent annually for merchandise and 8.5 percent annually for services (see Figure 2-3). While services exports have increased at a faster pace than goods exports over the past decade, they still constitute only 16.8 percent of exports from developing countries. In developed countries, services exports are 26.8 percent of total exports.

Figure 2-3. Merchandise and Commercial Services Exports from Developing Countries, 1990–2001



Top Developing Country Exporters

A handful of countries dominate developing countries' merchandise trade, global and regional. The top ten exporters accounted for more than 58 percent of exports in 2001 (see Table 2-1). Indeed, 5 out of 150 developing countries accounted for about 41 percent of merchandise exports from developing countries in 2001.

Seven of the top ten merchandise exporters also are among leading commercial services exporters in 2001 (see Table 2-2). The top ten services exporters accounted for more than 56 percent of developing country services exports in 2001, about the same share as in merchandise trade. But commercial services exports are a bit more evenly distributed among the top exporters.

Another way to understand the role of certain countries in developing country trade is to consider how much of each region's merchandise exports is accounted for by the top exporters in the region (see Figure 2-4). The top five in the various regions make up anywhere from 65 percent to 84 percent of total regional merchandise exports. Among developed countries, the top five merchandise exporters—the United States, Germany, Japan, France, and the United Kingdom—account for 59.6 percent of merchandise exports.

Table 2-1. Top 10 Developing Country Merchandise Exporters, 2001

Country	Value (\$ billion)	Percent of Developing Country Total	Percent of World Total
China	266.2	13.5	4.5
Mexico	158.5	8.0	2.7
Korea, Republic of	150.4	7.6	2.5
Taipei, Chinese	122.5	6.2	2.1
Russian Federation	103.1	5.2	1.7
Malaysia	87.9	4.5	1.5
Saudi Arabia	68.2	3.5	1.2
Singapore ^a	66.1	3.4	1.1
Thailand	65.1	3.3	1.1
Brazil	<u>58.2</u>	<u>3.0</u>	<u>1.0</u>
Subtotal (Top 10)	1,146	58.2	19.4
Developing Country Total	1,972	100	33.2

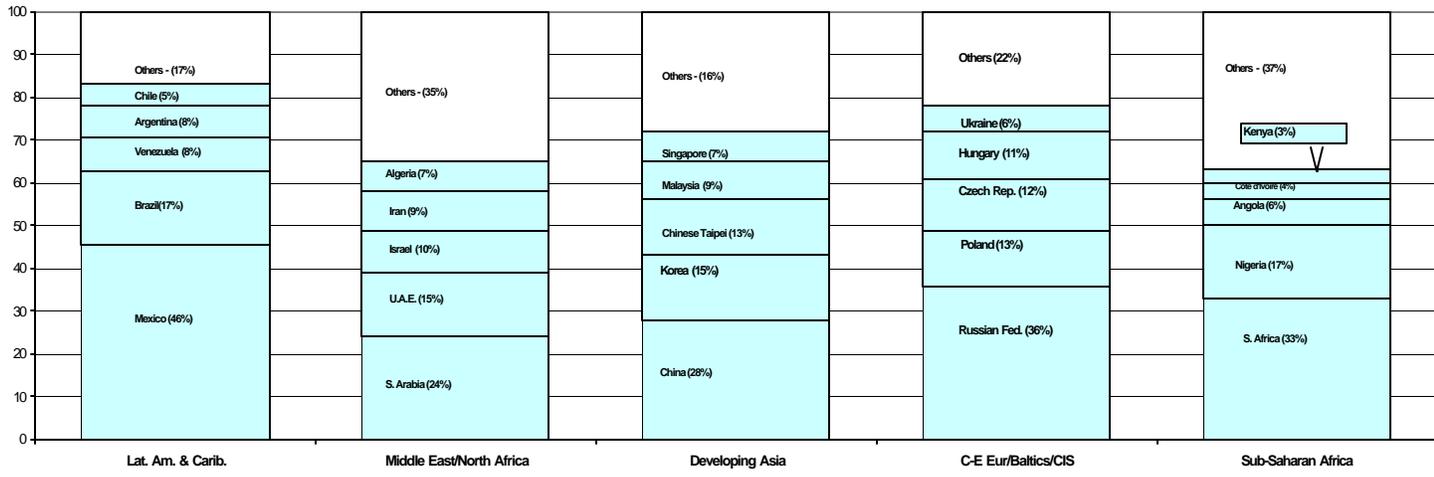
SOURCE: WTO.

^aDomestic exports only; excludes significant re-exports.**Table 2-2. Top 10 Developing Country Commercial Services Exporters, 2001**

Country	Value (\$ billion)	Percent of Developing Country Total	Percent of World Total
Hong Kong	42.4	10.7	2.9
China	32.9	8.3	2.3
Korea	29.6	7.5	2.0
Singapore	26.4	6.7	1.8
India	20.4	5.1	1.4
Taipei, Chinese	20.3	5.1	1.4
Malaysia	14.0	3.5	1.0
Thailand	12.9	3.3	0.9
Mexico	12.5	3.1	0.9
Israel	11.3	2.8	0.8
Subtotal (Top 10)	222.7	56.1	15.4
Developing Country Total	396.9	100.0	27.2

SOURCE: WTO.

Figure 2-4. Leading Exporters by Geographic Region, 2001



SOURCE: WTO.

3. Latin America and the Caribbean

In 2001, the nations of Latin America and the Caribbean (LAC) exported \$405.4 billion in merchandise and services, or 17.1 percent of developing countries' exports. Merchandise exports were \$347.2 billion and commercial services exports were \$58.2 billion. The value of merchandise exports fell by 3.3 percent from 2000, after having grown almost 8 percent annually since 1990. Commercial services exports declined by 2.7 percent, as compared to 6.3 percent average annual growth since 1990. Brazil was the only major Latin American exporter whose total exports rose in 2001, up 4.7 percent over 2000.

TRADE IN GOODS

Mexico continues to be LAC's single largest exporter, shipping almost \$159 billion in goods, although the value of its exports fell by 5 percent in 2001 (see Table 3-1). It accounted for about 46 percent of the region's total exports, up from only 27.7 percent in 1990. MERCOSUR, the Southern Cone common market made up of Argentina, Brazil, Paraguay, and Uruguay, was the region's next major exporter, led by Brazil.

The LAC region has experienced a significant shift from primary product to higher value-added manufactures exports. In 2001, exports of manufactures accounted for almost 60 percent of total LAC exports, with mining products making up about 22 percent and agricultural goods the remaining 18 percent (Table 3-2). Within manufactures, automotive products, office and telecom equipment, and other machinery and equipment have come to dominate LAC manufactures exports, accounting for about 58 percent. The region makes up more than 16 percent of global exports of these products, well above its share of total world trade (5.8 percent).

But Mexico's position heavily influences the region's performance as a whole. When Mexico is excluded, LAC appears far more dependent on exports of primary products (see Table 3-3). Roughly 85 percent of Mexico's exports are of manufactured products, but manufactures account for only 38.7 percent of the rest of LAC merchandise exports. Particularly outside of the Caribbean, primary products (agriculture and mining) make up about 60 percent of LAC exports, leaving its trade vulnerable to shifts in commodity prices. Merchandise exports from some countries, such as Chile, consist almost entirely of primary products (see Figure 3-1).

Table 3-1. LAC: Leading Merchandise Exporters, 2001

Country	Value	Share (%)			Annual Percentage Change			
	(\$ billion)	1990	1995	2001	1990-2001	1999	2000	2001
Latin America/ Caribbean	347.2	100.0	100.0	100.0	8	7	20	-3
Mexico	158.5	27.7	34.7	45.7	13	16	22	-5
Brazil	58.2	21.4	20.3	16.8	6	-6	15	6
Venezuela	27.4	11.9	8.0	7.9	5	17	58	-10
Argentina	26.7	8.4	9.1	7.7	7	-12	13	1
Chile	17.4	5.7	7.0	5.0	7	5	16	-4
Colombia	12.3	4.6	4.4	3.5	6	7	13	-6
Peru	7.1	4.6	4.4	3.5	7	6	15	1
Dominican Republic	5.3	1.5	1.6	1.5	9	3	12	-7
Costa Rica	5.0	1.0	1.5	1.4	12	19	-11	-15
Trinidad and Tobago	4.7	1.4	1.1	1.4	8	24	52	10
Ecuador	4.5	1.8	1.9	1.3	5	6	11	-9
El Salvador	2.9	0.4	0.7	0.8	16	2	17	-3
Guatemala	2.5	0.8	0.9	0.7	7	-7	12	-9
Uruguay	2.1	1.2	0.9	0.6	2	-19	3	-10
Netherlands Antilles	1.8	1.2	0.7	0.5	0	24	28	-1
Total	336.4							
Other	10.8							
MERCOSUR	87.9	31.6	30.7	25.3	6	-9	14	4
ANDEAN	53.7	21.2	17.2	15.5	5	11	34	-7
CAFTA	12.3	2.0	3.7	3.5	10	5	1	-9

SOURCE: WTO.

Table 3-2. LAC: Merchandise Trade by Product, 2001

Commodity	Value (\$ billion)	Lat. Am. Exports (%)		World Exports (%)		Annual Percentage Change	
	2001	1990	2001	1990	2001	1990-2001	2001
Total Merchandise Exports	347.2	100.0	100.0	4.3	5.8	9	-3
Agricultural Products	62.7	27.0	18.1	9.6	11.5	5	2
Food	55.1	24.0	15.9	11.2	12.6	5	3
Raw materials	7.6	3.0	2.2	4.4	6.9	6	-3
Mining Products	74.7	33.3	21.5	10.0	9.4	4	-11
Ores and other minerals	10.3	5.1	3.0	14.3	16.3	3	0
Fuels	54.0	22.7	15.6	9.2	8.8	5	-14
Non-ferrous metals	10.3	5.4	3.0	10.9	9.3	3	-9
Manufactures	207.8	38.0	59.9	2.3	4.6	14	-2
Iron and steel	7.2	4.2	2.1	5.8	5.6	2	-12
Chemicals	16.6	4.7	4.8	2.3	2.8	9	-2
Other semi-manufactures	18.3	4.8	5.3	2.7	4.2	10	2
Automotive products	39.3	5.0	11.3	2.3	7.0	18	3
Office and telecom equipment	39.1	3.7	11.3	1.8	4.7	22	2
Other machinery and equipment	42.5	7.6	12.2	1.9	4.0	14	-6
Textiles	4.0	1.5	1.2	2.2	2.8	6	-13
Clothing	20.1	2.4	5.8	3.3	10.3	19	-5
Other consumer goods	20.6	4.0	5.9	2.0	3.9	13	-1

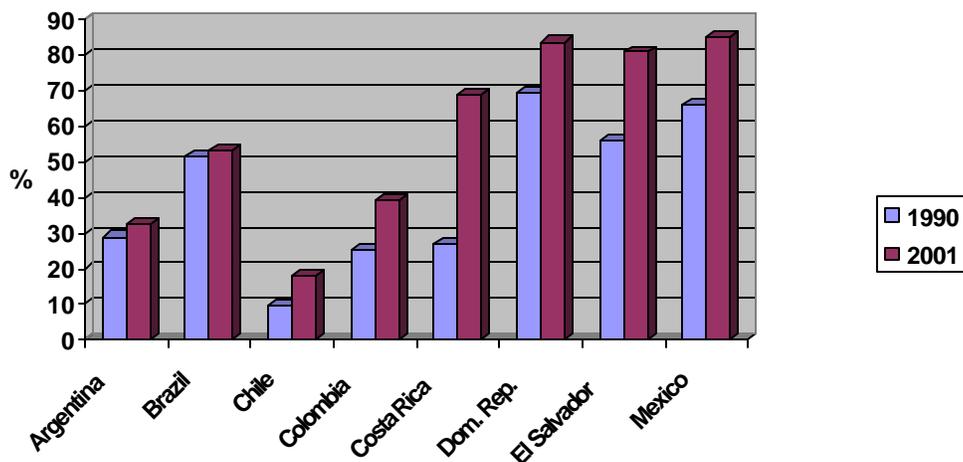
SOURCE: WTO

Table 3-3. Share of Merchandise Exports by Product, Mexico and Other LAC Countries

% Total Exports, 2001	(\$ billion and percent)	
	Mexico	Other LAC Countries
Agricultural Products	5.7 (\$9.1)	28.4 (\$53.6)
Mining Products	9.2 (\$14.6)	31.9 (\$60.1)
of which fuels	7.9 (\$12.6)	22.0 (\$41.4)
Manufactures	84.9 (\$134.8)	38.7 (\$73.0)

SOURCE: WTO.

Figure 3-1. Share of Manufactures Exports in Total Merchandise Exports, Selected LAC Countries, 1990 and 2001



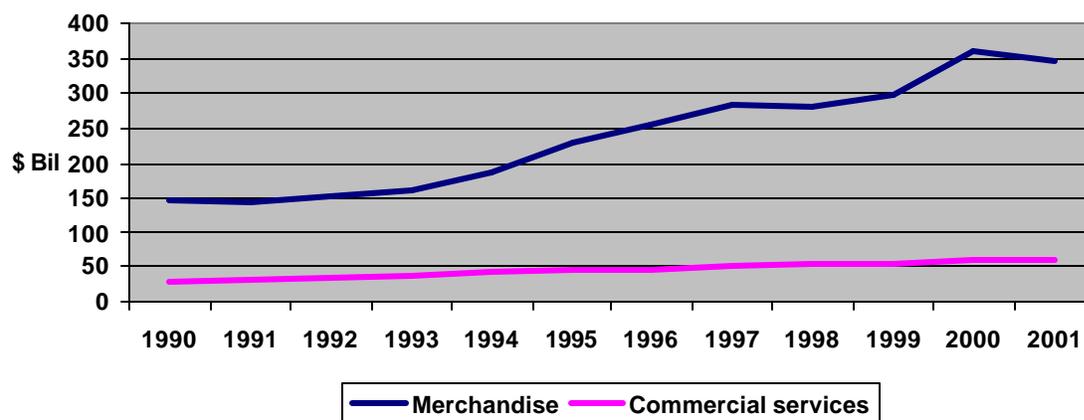
SOURCE: WTO.

TRADE IN SERVICES

While commercial services are important LAC exports, their growth has lagged that of merchandise exports since 1990 (see Figure 3-2). Commercial services exports have grown by 96 percent since 1990, far less than the 137 percent growth in merchandise exports. Mexico holds a far less dominant position in LAC services exports than it does in merchandise exports—22 percent versus 46 percent.

For LAC as a whole, services make up about 14 percent of exports. For some countries, commercial services exports are several times more than exports of merchandise (see Table 3-4). For the Bahamas, for example, services exports are more than twice that of goods; Panama, twice as large; Jamaica, almost 1.6 times higher; and the Dominican Republic, 35 percent. For some of the islands in the Caribbean, such as Antigua and Barbuda, St. Lucia, Barbados, and Grenada, services provide almost the entirety of their export earnings.

Figure 3-2. LAC: Merchandise and Commercial Services Exports, 1990–2001



SOURCE: WTO.

Table 3-4. LAC: Commercial Services Exports, 2001

Country	Value (\$ billion)		Annual Growth (%)	Ratio of Services Exports to Merchandise Exports
	1990	2001	1990-2001	2001
Latin America & Caribbean	29.7	58.2	6.3	-
Mexico	7.2	12.6	5.2	0.08
Brazil	1.8	8.7	15.4	0.15
Argentina	2.3	3.9	4.9	0.15
Chile	1.8	3.9	7.3	0.22
Dominican Republic	1.1	2.9	9.2	0.55
Colombia	1.5	2.1	3.1	0.17
Bahamas	1.5	1.9	2.2	2.11
Jamaica	1.0	1.9	6.0	1.58
Costa Rica	0.6	1.8	10.5	0.36
Panama	0.9	1.8	6.5	2.00
Netherlands Antilles	1.1	1.6	3.5	0.89
Peru	0.7	1.4	6.5	0.20
Uruguay	0.5	1.2	8.3	0.57
Venezuela	1.1	1.1	0.0	0.04
El Salvador	<u>0.3</u>	<u>1.1</u>	<u>12.5</u>	0.38
Total	23.4	47.9	6.7	-
Other	6.3	10.3	4.6	-
MERCOSUR	5.0	14.4	10.1	0.16
ANDEAN	4.0	5.7	3.3	0.18
CAFTA ^a	1.4	3.8	10.8	0.28

SOURCE: WTO.

^aAll data are through 2000.

U.S.–CENTRAL AMERICAN FREE TRADE AGREEMENT

The U.S. Trade Representative has notified the U.S. Congress of the Administration's intent to negotiate a free trade agreement (FTA) with Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua (Central American Group or CAG). Negotiations are expected to begin in early 2003.

In 2001, CAG exports to the United States totaled \$11.1 billion, a 5.7 percent drop from 2000. In 1990, however, CAG exports were just \$2.5 billion. Honduras accounted for 28.2 percent of CAG exports to the United States, followed by Costa Rica (26 percent), Guatemala (23.3 percent), El Salvador (17 percent), and Nicaragua (5.5 percent). CAG exports of commodities to the United States in 2001 were distributed as follows:

	<u>Export Value (\$ million)</u>	<u>Total Exports (%)</u>
Agriculture	2,134.9	19.3
Mining and fuels	226.2	2.0
Manufactures	8,728.7	78.7

CAG: Top 10 Exports and Imports with the United States, 2001

<u>Exports to United States</u>		<u>Imports from United States</u>	
<u>Product/ SITC No.</u>	<u>Value (\$ million)</u>	<u>Product/ SITC No.</u>	<u>Value (\$ million)</u>
Apparel and Clothing (SITC 84)	6,855.0	Apparel and Clothing (SITC 84)	1,983.1
Vegetables and Fruit (SITC 05)	1,140.2	Textile Yarn/Fabrics (SITC 65)	1,076.4
Electrical Machinery (SITC 77)	568.4	Electrical Machinery (SITC 77)	558.9
Coffee, Tea, Cocoa, Spices (SITC 07)	394.5	Low Value Shipments (SITC 99)	399.0
Fish, Crustaceans, Mollusks (SITC 03)	323.4	Cereals and Preparations (SITC 04)	396.7
Scientific and Control Equipment (SITC 87)	238.3	Paper and Products (SITC 64)	342.3
Misc. Manufactured Goods (SITC 89)	188.1	Office Machines/ADP Equip. (SITC 75)	328.0
Special Transactions/Commodities N.E.S. (SITC 93)	175.4	Misc. Manufactured Goods (SITC 89)	291.7
Office Machines/ADP Equip. (SITC 75)	108.6	Specialized Industrial Machinery (SITC 72)	270.1
Petroleum and Products (SITC 33)	100.9	Plastics (SITC 57)	256.2

Note: U.S. import and export data as reported by the U.S. International Trade Commission.

4. Central and Eastern Europe, the Baltics, and the Commonwealth of Independent States

The nations of Central and Eastern Europe, the Baltics, and the Commonwealth of Independent States (CE/B/CIS) accounted for only 14.4 percent (\$341.7 billion) of developing countries' exports of goods and services in 2001. This, however, represents an almost 15 percent gain in global market share since 1998. In contrast to the world as a whole, the region's exports grew by 6.1 percent in 2001, with both merchandise and commercial services exports rising. Merchandise exports increased 5.2 percent to \$285.6 billion, as compared to \$271.4 billion in 2000; commercial services exports increased 10.7 percent to \$56.1 billion from \$50.7 billion in 2000. The volume of merchandise trade rose by 8 percent in 2001, following a 17 percent gain in 2000.²

TRADE IN GOODS

The Russian Federation is the single largest exporter from the CE/B/CIS region, accounting for 36.1 percent of total merchandise exports. Its trade performance in 2001 was less robust than that of other countries in the region, with a 2 percent decline in merchandise exports (see Table 4-1). Indeed, its share of the region's merchandise exports to the world has declined somewhat since 1996, while countries such as Poland, the Czech Republic, and Hungary have increased their share.

Western Europe and intraregional trade account for the bulk of the CE/B/CIS region's merchandise exports. Western Europe was the destination for 55.4 percent of the region's exports, while intraregional trade accounted for another 26.5 percent. Asia, including Japan, was a distant third at 6.7 percent.

Countries in Central and Eastern Europe have a far higher concentration of exports in manufactures than the figures for the region as a whole reveal, with manufactures exports ranging from 58 to 89 percent of total merchandise exports (see Figure 4-1). In Russia, however, manufactures account for less than 25 percent of merchandise exports. Unfortunately, no detailed statistics are available from the WTO on the region's commodity trade. Data that are available are presented in Table 4-2.

² Because of major discontinuities in trade data, it is not possible to get consistent, reliable statistics on trade in the CE/B/CIS region before 1996 for merchandise trade and 1998 for commercial services trade.

Table 4-1. CE/B/CIS: Leading Merchandise Exporters, 2001

Country	Value (\$ billion)			Share (%)			Annual Percentage Change		
	2001	1996	2001	1996	2001	1999	2000	2001	
CE/B/CIS	285.6	100.0	100.0	0	26	5			
Russian Federation	103.1	41.2	36.1	1	39	-2			
Poland	36.1	11.4	12.6	-3	15	14			
Czech Republic ^a	33.4	10.3	11.7	1	10	15			
Hungary	30.5	7.3	10.7	9	12	9			
Slovak Republic ^a	12.6	4.1	4.4	-4	16	6			
Romania	11.4	3.8	4.0	2	22	10			
Kazakhstan	8.6	2.8	3.0	3	64	-5			
Belarus	7.5	2.6	2.6	-16	24	3			
Bulgaria	5.1	2.3	1.8	-7	20	6			
Lithuania	4.6	1.6	1.6	-19	27	20			
Uzbekistan	3.5	2.0	1.2	-8	1	6			
Estonia	3.3	1.0	1.2	-26	32	4			
Turkmenistan	2.6	0.8	0.9	101	111	5			
Azerbaijan	2.3	0.3	0.8	54	88	33			
Total	264.6	92.6							
Other CE/B/CIS	21.0	7.4							

^aExports valued f.o.b.

Source: WTO.

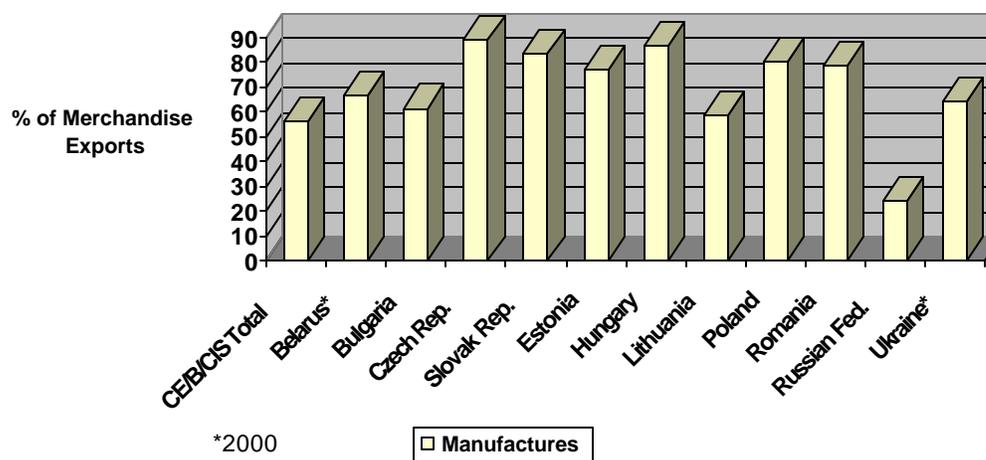
Table 4-2. CE/B/CIS: Merchandise Trade by Product Group, 2001

Commodity	Value (\$ billion)			CE/B/CIS Exports (%)			World Exports (%)		
	2001	2000	1999	2001	2000	1999	2001	2000	1999
Total	285.6	271.4	215.0	100.0	100.0	100.0	4.8	4.4	3.9
Agricultural Products	24.8	23.1	22.1	8.7	8.5	10.3	4.5	4.2	4.0
Mining Products	93.1	96.8	62.1	32.6	35.7	28.9	11.8	16.5	10.6
Manufactures	161.0	145.0	124.1	56.4	53.4	51.7	3.6	3.1	29.

Note: Figures may not sum because of substantial unspecified exports.

Source: WTO

Figure 4-1. Manufactures Exports as a Share of Total Merchandise Exports, Selected CE/B/CIS Countries, 2001

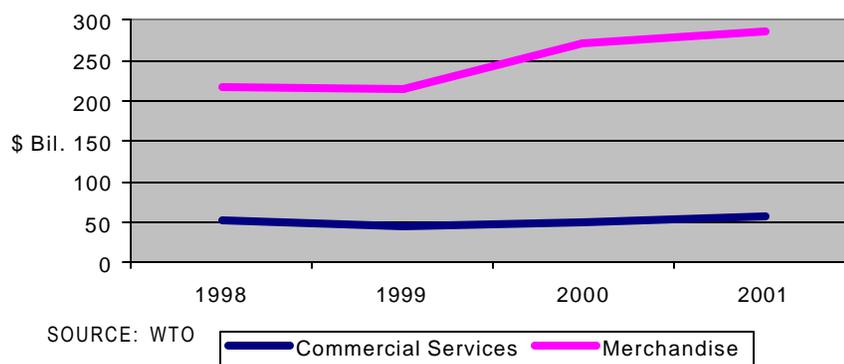


SOURCE: WTO.

TRADE IN SERVICES

Commercial services exports are an important part of the region's total exports, amounting to \$56.1 billion, or 16 percent of total exports, in 2001 (see Figure 4-2). Poland, the Russian Federation, and Hungary are the top three commercial services exporters, at 21.1 percent, 19.4 percent, and 13.5 percent of the region's commercial services exports, respectively (see Table 4-3).

Figure 4-2. CE/B/CIS: Merchandise and Commercial Services Exports, 1998–2001



SOURCE: WTO

Table 4-3. CE/B/CIS: Commercial Services Exports, 1998–2001

Country	Value (\$ billion)		Annual Growth, 1998-2001 (%)	Ratio of Services Exports to Merchandise Exports, 2001
	1998	2001		
CE/B/CIS	52.8	56.1	2.0	-
Poland	10.8	11.9	3.1	0.33
Russian Federation	12.4	10.9	-4.2	0.11
Hungary	5.9	7.6	9.1	0.25
Czech Republic	7.4	6.9	-2.2	0.23
Ukraine	3.9	3.9	0.0	0.24
Slovak Republic	2.3	2.5	2.7	0.19
Bulgaria	1.8	2.4	10.4	0.46
Romania	1.2	1.9	17.2	0.17
Estonia	1.5	1.6	3.4	0.49
Latvia	1.1	1.2	3.3	0.61
Lithuania	1.1	1.1	1.5	0.25
Kazakhstan	0.9	1.1	7.2	0.13
Belarus	0.9	1.0	3.7	0.14
Albania	0.1	0.5	81.2	1.62
Georgia ^a	0.4	0.2	-23.7	0.62
Moldova	0.1	0.2	3.3	0.29
Total	51.8	54.8	1.9	-
Other CE/B/CIS Or Unspecified	1.0	1.3	-	-

^a2000

SOURCE: WTO.

5. Developing Asia

Developing Asia's total exports came to \$1,180.2 billion in 2001, a 5.4 percent decline from \$1,247.1 billion in 2000. Merchandise exports fell by 7 percent to \$961.2 billion, while commercial services exports rose a modest 2.5 percent to \$219 billion.

TRADE IN GOODS

Greater China (China, Hong Kong, and Chinese Taipei) dominates developing Asia's merchandise exports, accounting for 42.6 percent of the region's total goods exports to the world in 2001 (see Table 5-1). Combined, Greater China and ASEAN countries earn more than three out of every four of developing Asia's export dollars.

Table 5-1. Asia: Leading Merchandise Exporters, 2001

Country	Value (\$ billion)		Share (%)		Annual Percentage Change in Value		
	2001	1990	2001	1990-2001	1999	2000	2001
Total Developing Asia ^a	961.2	100.0	100.0	9	8	20	-7
China	266.2	16.2	27.7	14	6	28	7
Hong Kong	191.1	-	-	8	0	16	-6
Domestic Exports	20.3	7.5	2.1	-3	-9	5	-14
Re-Exports	170.8	-	-	11	1	18	-5
Korea, Republic Of	150.4	16.9	15.7	8	9	20	-13
Taipei, Chinese	122.5	17.5	12.7	6	10	22	-17
Singapore	121.8	-	-	8	4	20	-12
Domestic Exports	66.1	9.1	6.9	6	8	15	-16
Re-Exports	55.6	-	-	11	-1	28	-6
Malaysia	87.9	7.7	9.1	10	15	16	-10
Thailand	65.1	6.0	6.8	10	7	18	-6
Indonesia	56.3	6.7	5.9	7	0	28	-9
India	43.6	4.7	4.5	8	7	19	3
Philippines	32.1	2.1	3.3	13	24	9	-19
Vietnam	15.1	0.6	1.6	18	23	25	4
Pakistan	9.2	1.5	1.0	5	0	6	-2
Total	<u>934.8</u>	<u>96.5</u>	<u>97.3</u>				
Other Developing Asia/Unspecified	26.4	3.5	2.7				
ASEAN	327.0	32.8	34.0				

^aExcludes re-exports from Hong Kong and Singapore.

Source: WTO.

Manufactures dominate developing Asia's exports, accounting for 83.7 percent of merchandise exports in 2001, with a value of \$804.9 billion (see Table 5-2). Agricultural goods, 7.1 percent of merchandise exports, came to \$68.1 billion while mining products and other unspecified goods amounted to \$88.2 billion, or 9.2 percent of merchandise exports.³

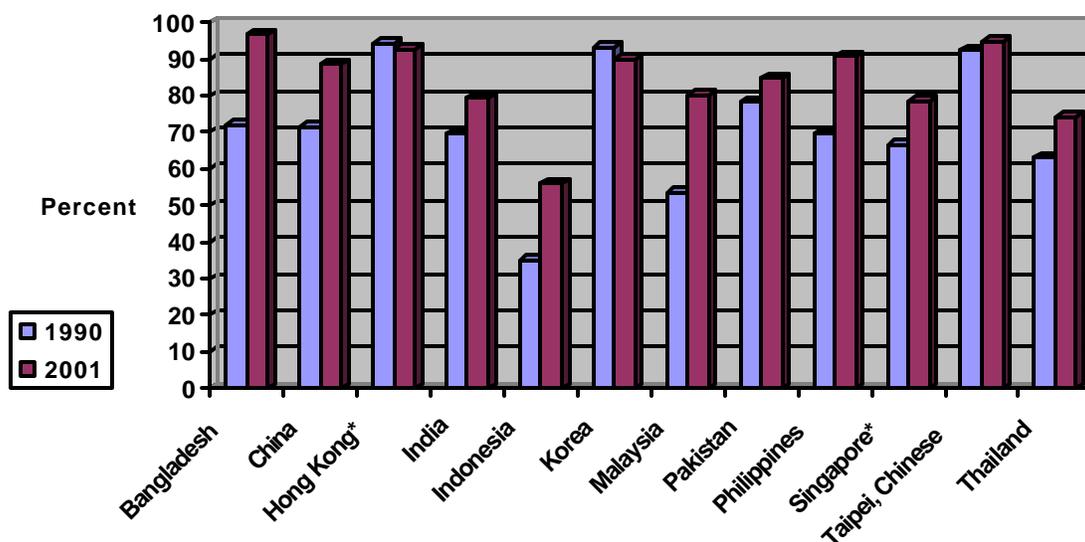
Table 5-2. Developing Asia: Exports by Product, 2001

Commodity	Value (\$ billion)	Share of Total Merchandise Exports, 2001 (%)
Total Exports	961.2	100.0
Agricultural Products	68.1	7.1
Manufactures	804.9	83.7
Mining Products and Unspecified	88.2	9.2

SOURCE: WTO.

As Figure 5-1 shows, the region has experienced a general tendency toward manufactures as an increasing share of total merchandise exports. Manufactures account for more than half to virtually all merchandise exports for major countries in the region.

Figure 5-1. Developing Asia: Manufactures Share in Total Merchandise Exports, 1990 and 2001



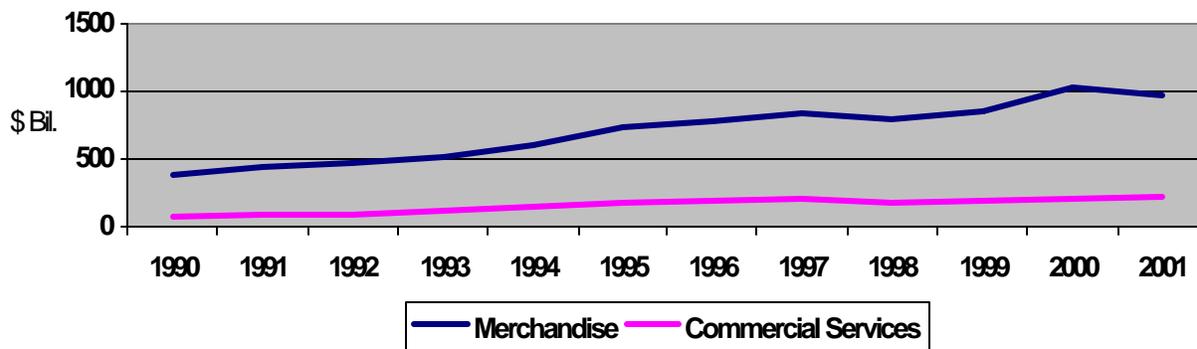
SOURCE: WTO—Domestic exports only

³ Because the data are not sufficiently disaggregated, exports of mining products are calculated as the residual of total merchandise exports less agricultural and manufactures exports. Because total merchandise exports includes several billions of dollars in unspecified exports, we report the residual as “mining plus unspecified exports.”

TRADE IN SERVICES

Developing Asia's commercial services exports have more than doubled since 1990, reaching \$219.0 billion in 2001. Indeed, the rate of growth for services exports has surpassed that of merchandise over the period. Services exports have risen by 9.9 percent annually, as compared to 8.7 percent for merchandise exports (see Figure 5-2).

Figure 5-2. Developing Asia: Merchandise and Commercial Services Exports, 1990–2001



SOURCE: WTO.

As with merchandise trade, Greater China and ASEAN countries account for most of developing Asia's services exports. Combined, they account for just under 74 percent of the region's services exports, with Korea and India making up another 13.5 percent and 9.3 percent, respectively.

The ratio of services exports to merchandise exports is relatively high in developing Asia—22.8 percent in 2001. But as in other regions, the importance of services exports varies greatly from country to country. For some, such as the Maldives, Hong Kong, and Macau, services exports far exceed the level of goods exports. But for others, including Bangladesh, Indonesia, and the Philippines, the ratio of services exports to merchandise exports is quite low (see Table 5-3).

Table 5-3. Developing Asia: Exports of Commercial Services, 2001

Country	Value (\$ billion)		Annual Growth, 1990-2001 (%)	Ratio of Services Exports to Merchandise Exports, 2001
	1990	2001		
Developing Asia	77.9	219.0	9.9	-
Hong Kong	18.1	42.4	8	2.09 ^a
China	-	32.9	17	0.12
Korea	9.2	29.6	11	0.20
Singapore	12.7	26.4	7	0.40 ^a
India	4.6	20.4	14	0.47
Taipei, Chinese	6.9	20.3	10	0.17
Malaysia	3.8	14.0	13	0.16
Thailand	6.3	12.9	7	0.20
Indonesia	2.5	5.2	7	0.08
Macau	1.5	3.8	9	1.63
Philippines	2.9	3.1	1	0.10
Vietnam	0.2	2.7	27	0.19
Pakistan ^b	1.2	1.3	1	0.14
Sri Lanka ^b	0.4	0.9	8	0.17
Myanmar ^b	0.1	0.5	16	0.31
Nepal ^b	0.2	0.4	7	0.51
Maldives*	0.1	0.3	11	4.54
Bangladesh ^b	0.3	0.3	0	0.04
Cambodia ^b	-	0.2	-	0.12
Total	-	<u>217.6</u>	-	-
Other Developing Asia/Unspecified	-	1.4	-	-
ASEAN	28.5	65.0	11	0.20

^a Merchandise exports are domestic exports and exclude re-exports.

^b2000

SOURCE: WTO.

6. Sub-Saharan Africa

Exports from Sub-Saharan Africa (SSA) totaled \$107.2 billion in 2001, down 2.2 percent from 2000's record \$109.6 billion. Merchandise exports came to \$91.7 billion, \$3.3 billion (3.5 percent) lower than in 2000. Commercial services exports were up 6.6 percent and totaled \$15.5 billion.

TRADE IN GOODS

Merchandise exports from SSA are dominated by South Africa and Nigeria, which between them account for almost 53 percent of the region's goods exports (see Table 6-1).

Table 6-1. SSA: Leading Merchandise Exporters, 2001

Country	Value (\$ billion)	Share (%)		Annual percentage change			
	2001	1990	2001	1990-2001	1999	2000	2001
Sub-Saharan Africa	91.7	100.0	100.0	3	9	20	-4
South Africa ^a	29.3	35.2	32.0	3	1	12	-2
Nigeria	19.2	20.4	20.9	3	41	51	-9
Angola	6.7	5.8	7.3	5	46	53	-15
Cote D'Ivoire	3.7	4.6	4.0	2	1	-17	-4
Gabon	2.6	3.3	2.8	2	31	26	-17
Botswana	2.3	2.7	2.5	2	36	3	-15
Congo	2.1	1.5	2.3	7	6	60	-16
Equatorial Guinea	2.0	0.1	2.2	36	77	71	53
Kenya	1.9	1.5	2.1	6	-13	-1	12
Zimbabwe	1.8	2.6	2.0	0	-11	2	-8
Cameroon	1.7	3.0	1.9	-1	-4	14	-5
Ghana	1.7	1.3	1.9	6	-4	-5	4
Sudan	1.6	0.6	1.7	14	31	132	-10
Mauritius	1.5	1.8	1.6	2	-6	-4	2
Namibia	1.5	1.6	1.6	3	1	18	3
Total	79.6	86.0	86.8	-	-	-	-
Other sub-Saharan Africa/Unspecified	12.1	14.0	13.2	-	-	-	-
SACU	34.2	39.3	37.3	2	3	11	-3

^aBeginning with 1998, figures refer to South Africa only and not the Southern Africa customs union.

SOURCE: WTO.

Because of data limitations, it is not possible from the WTO data to examine SSA's merchandise trade by product.⁴ However, one may get an indication of the region's trade patterns by examining the general data, disaggregated data on a country basis (where available), and SSA's trade with the United States.

For Africa as a whole (including North Africa), the WTO reports that agricultural exports were 14.7 percent of total merchandise exports in 2001, with mining accounting for 57 percent and manufactures 25.3 percent. As may be seen in Table 6-2, agricultural exports are a large and growing element in merchandise exports for some SSA countries.

Table 6-2. SSA: Agricultural Exports, 2001 (Selected Countries)

Country	Value (\$ million)		Share of Total Merchandise Exports (%)	
	1990	2001 ^a	1990	2001
Cameroon	723	666	36.1	38.1
Cote D'ivoire	2,374	2308 ^b	77.3	59.4
Ethiopia	Na	406 ^b	Na	84.2
Kenya	559	1,062 ^b	54.2	61.3
Madagascar	224	456	70.2	61.6
Mauritius	396	389	33.2	25.6
South Africa	2,881	3,109	12.2	10.6
Sudan	367	456 ^c	98.1	58.5

a Or nearest year

b 2000

c 1999

SOURCE: WTO

It is also possible to examine SSA's commodity trade by examining exports to the European Union (EU), the region's major export market. Primary products, not manufactures, dominate the shipments of the four leading African exporters to the EU (see Table 6-3). A similar pattern is shown in SSA's exports to the United States. The region's \$21.3 billion in exports to the United States were distributed as follows: agricultural products, 3.6 percent; minerals and fuels, 71.9 percent, of which 96 percent was fuels; and manufactures, 23.2 percent.⁵

⁴ WTO data provide product trade data for the whole of Africa only, including North Africa.

⁵ The remaining trade is accounted for by products for which there is no specific classification.

Table 6-3. SSA: Product Trade of Leading Exporters with the EU, 1995–2000

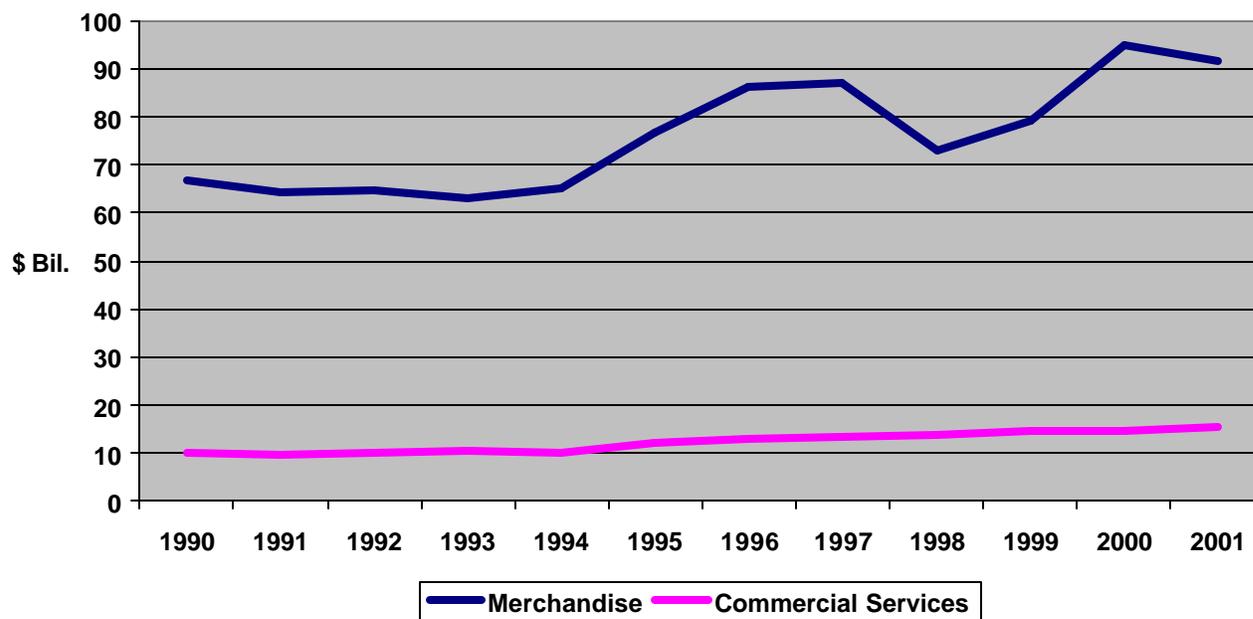
Country/Product	Exports (ECU/EUR million)		Share in Total (%)	
	1995	2000	1995	2000
South Africa				
Total	7,752	14,446	100.0	100.0
Precious Stones And Minerals	2,610	5,297	33.7	36.7
Mineral Fuels	1,049	1,435	13.5	9.9
Machinery, Mechanical Appliances	200	953	2.6	6.6
Nigeria				
Total	3,443	6,411	100.0	100.0
Mineral Fuels	2,885	5,902	83.8	92.1
Cocoa, Cocoa Preparations	128	122	4.4	1.9
Hides, Skin, Leather	94	88	3.3	1.4
Cote d'Ivoire				
Total	2,068	1,960	100.0	100.0
Cocoa, Cocoa Preparations	732	860	35.4	43.9
Wood, Articles of Wood	333	277	16.1	14.1
Edible Fruits and Nuts	174	233	8.4	11.9
Cameroon				
Total	1,175	1,711	100.0	100.0
Mineral Fuels	272	648	23.1	37.9
Wood, Articles of Wood	355	481	30.2	28.1
Edible Fruits And Nuts	92	150	7.8	8.7

SOURCE: Tim Allen, "EU Trade With ACP Countries," *Statistics In Focus*, Eurostat, March 2002.

TRADE IN SERVICES

Exports of commercial services are still a small share of SSA's global exports, but they have grown rapidly. Services exports have risen on average by 4.1 percent annually since 1990, as compared to 1.5 percent for merchandise trade (Figure 6-1). Services also have had a more consistent pace of increase than have goods exports.

Figure 6-1. SSA: Merchandise and Commercial Services Exports, 1990–2001



SOURCE: WTO.

As with merchandise exports, South Africa dominates the region's services exports, accounting for almost one-third of SSA commercial services exports in 2000 (see Table 6-4). The top five SSA services exporters (South Africa, Mauritius, Nigeria, Kenya, and Tanzania) account for 54 percent of the region's services exports. Within SSA, the importance of services exports to overall export earnings varies widely. For countries such as Gambia, Cape Verde, Seychelles and Ethiopia, earnings from services exports are either equal to or several times greater than earnings from goods shipments. In contrast, services play only a minor role in the exports of Nigeria, Congo, Angola, and Gabon.

Table 6-4. SSA: Exports of Commercial Services, 2000

Country	Value (\$ million)		Annual Growth, 1990-2000 (%)	Ratio of Services Exports to Merchandise Exports, 2000
	1990	2000		
Sub-Saharan Africa	9,779	14,540	4.1	-
South Africa ^a	3442	4,544	2.6	0.16
Mauritius	478	1,067	8.4	0.72
Nigeria	965	1,005	0.4	0.05
Kenya	774	701	-1	0.40
Tanzania	131	605	16.5	0.93
Ghana	79	490	20.0	0.30
Ethiopia*	261	391	3.7	0.93
Cameroon	369	383	0.4	0.21
Cote d'Ivoire ^a	425	371	-1.2	0.10
Botswana ^a	96	333	12.0	0.14
Senegal	356	330	-0.8	0.36
Madagascar	129	314	9.3	0.38
Angola ^a	65	304	15.1	0.05
Seychelles	162	300	6.4	1.76
Mozambique ^a	103	263	8.9	0.37
Gabon	214	221	0.3	0.07
Uganda ^a	21	182	27.1	0.39
Benin	96	126	2.8	0.32
Cape Verde ^a	30	120	13.4	12.00
Zambia	94	114	2.0	0.15
Congo	65	113	5.7	0.05
Gambia	53	101	6.7	12.63
Total	<u>8,408</u>	<u>12,378</u>	-	-
Other SSA/unspecified	1,371	2,162	-	-
SACU	3,867	4,977 ^b	2.3	0.13

^a2001^bExcludes Namibia, since data are available only through 1998.

Note: While regional commercial services statistics are available for 2001, individual country statistics often end with 2000, accounting for the difference between this table and Figure 6-1.

SOURCE: WTO

SOUTH AFRICAN CUSTOMS UNION

The Bush Administration has notified Congress of its intent to negotiate a free trade agreement (FTA) with the South African Customs Union (SACU), which consists of Botswana, Lesotho, Namibia, South Africa, and Swaziland. Negotiations are expected to begin on or after February 3, 2003. Exports from the region to the United States amounted to \$4.8 billion in 2001, up 6.4 percent from 2000.

South Africa is SACU's single largest exporter to the United States, accounting for 92.9 percent of exports in 2001, followed by Lesotho (4.5 percent), Swaziland (1.4 percent); Namibia (0.8 percent); and Botswana (0.4 percent). By commodity, SACU's exports to the United States in 2001 are as follows:

	<u>Export Value (\$ million)</u>	<u>Total Exports (%)</u>
Agricultural products	148.1	3.1
Mining and fuels	383.3	8.0
Manufactures	4,109.1	86.2
Not specified	125.9	2.6

SACU: Top 10 Exports and Imports with the United States, 2001

<u>Exports to United States</u>		<u>Imports from United States</u>	
Product/ SITC No.	Value (\$ million)	Product/ SITC No.	Value (\$ million)
Nonferrous Metals (SITC 68)	1,691.6	Transport Equipment N.E.S. SITC 79)	689.1
Nonmetallic Mineral Manufactures (SITC 66)	488.5	Road Vehicles (SITC 78)	438.9
Apparel and Clothing (SITC 84)	442.1	Specialized Industrial Machinery (SITC 72)	238.4
Road Vehicles (SITC 78)	371.2	Low-value shipments (estimated) (SITC 99)	174.8
Iron and Steel (SITC 67)	307.9	Gen. Industrial Machinery (SITC 74)	144.7
Metalliferous Ores and Scrap (SITC 28)	237.8	Organic Chemicals (SITC 51)	127.5
Gen. Industrial Machinery (SITC 74)	207.4	Misc. Manufactured Goods (SITC 89)	123.8
Organic Chemicals (SITC 51)	130.1	Scientific and Control Equipment (SITC 87)	123.8
Inorganic Chemicals (SITC 52)	122.8	Electrical Machinery (SITC 77)	123.1
Special Transactions N.E.S. (SITC 93)	110.2	Office Machines/ADP Equipment (SITC 75)	114.2

SOURCE: U.S. import and export data as reported by the U.S. International Trade Commission.

7. Middle East and North Africa

Exports from the Middle East/North Africa (ME/NAF) region totaled \$319.0 billion in 2001, an 8.8 percent decline from 2000, when exports set a record of almost \$350 billion.

Total merchandise exports were \$286.4 billion, down 9 percent from 2000, largely because of falling petroleum prices. Commercial services exports were \$32.6 billion or 6.9 percent below the level for 2000.

TRADE IN GOODS

The top five goods exporting countries (Saudi Arabia, UAE, Israel, Iran, and Algeria) account for almost two-thirds of total merchandise exports from the region (see Table 7-1). In 1990, they accounted for only 55 percent of that total. Iraq and Libya have seen significant reductions in their shares of the region's exports. Within the region, the countries of the Middle East account for 82.7 percent of exports, with exports from North Africa making up less than one-fifth of the region's global shipments. And Libya and Algeria, both oil exporters, account for almost two-thirds of North Africa's exports.

Because of the way the WTO aggregates commodity trade by country and region, WTO data are not available for the ME/NAF region as a whole on a product-specific basis. But WTO data for the Middle East (excluding North Africa), as well as some individual countries are indicative of the region's commodity trade.

Unsurprisingly, exports from the Middle East are dominated by petroleum. Exports of mining products (virtually all petroleum products) account for almost three-quarters of the Middle East's global exports (see Table 7-2).

Given the dominance of petroleum exports, the value of the region's merchandise exports tracks closely with changes in the price of petroleum. Since 1990, the region's merchandise exports have tended to rise, but with a high degree of correlation with the price of petroleum (see Figure 7-1).

In terms of manufactures exports, WTO data show an increasing share of manufactures in the merchandise exports of most countries for which data are available (see Figure 7-2). Egypt is the exception. Not only did manufactures as a share of Egypt's total merchandise exports fall by almost 10 percent between 1990 and 2001, but the absolute level of manufactures exports also declined, from \$1.5 billion to \$1.4 billion. For the other countries, the dollar value of manufactures exports at least doubled during this period.

Table 7-1. ME/NAF: Merchandise Exports, 2001

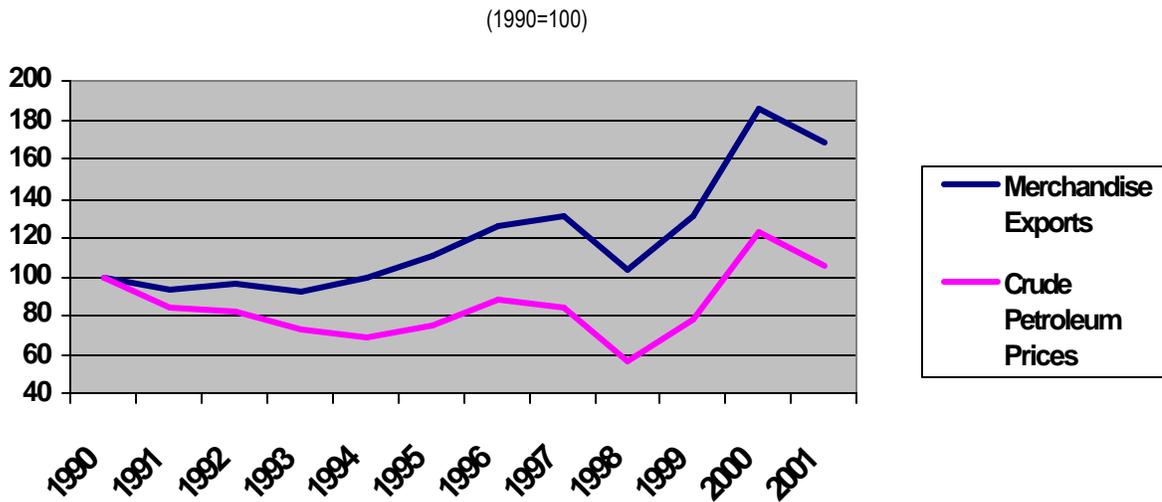
Country	Value	Share (%)		Annual Percentage Change			
	(\$ billion)	1990	2001	1990-2001	1999	2000	2001
Middle East/North Africa	286.4	100.0	100.0	5	27	42	-9
Saudi Arabia	68.2	26.2	23.8	4	31	53	-12
United Arab Emirates	42.9	12.2	15.0	7	11	28	-2
Israel	29.0	7.1	10.1	8	12	22	-8
Iran	25.3	10.0	8.8	4	60	35	-11
Algeria	20.1	6.7	7.0	5	27	76	-9
Kuwait	16.1	4.2	5.6	8	28	59	-17
Iraq	15.9	7.3	5.6	2	132	62	-23
Libya	11.7	8.2	4.1	-2	19	69	-13
Oman	11.1	3.3	3.9	7	31	50	2
Qatar	10.9	2.1	3.8	11	43	61	-6
Morocco	7.1	2.5	2.5	5	3	1	-4
Tunisia	6.6	2.1	2.3	6	2	0	13
Bahrain	5.5	2.2	1.9	4	27	38	-3
Egypt	4.1	1.5	1.4	4	14	32	-12
Yemen	3.2	0.4	1.1	15	63	67	-21
Jordan	2.3	0.6	0.8	7	2	4	21
Cyprus	1.0	0.6	0.3	0	-6	-4	2
Lebanon	0.9	0.3	0.3	5	2	6	22

Table 7-2. Middle East Merchandise Exports by Major Product Group, 2001

Commodity	Value (\$ billion)	Share %
Total Exports	237.0	100.0
Agriculture	8	3.3
Mining	175	73.8
Manufactures	52	21.8

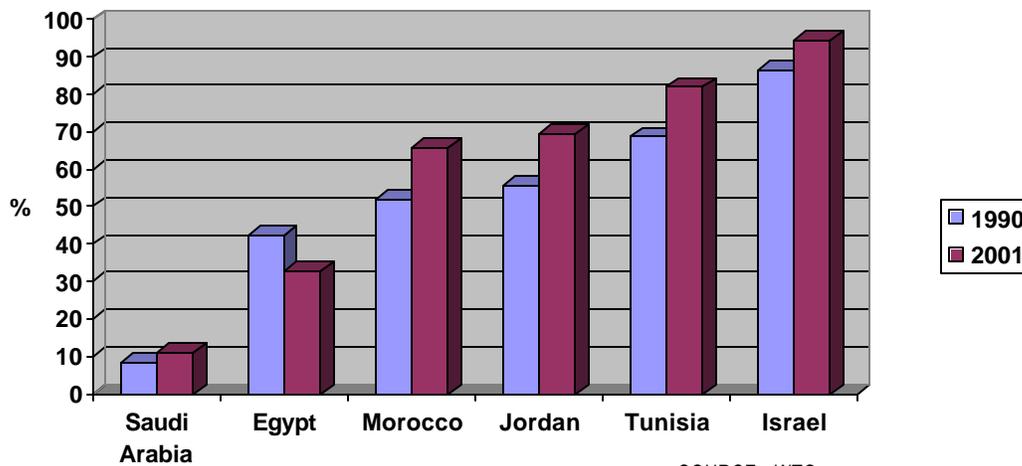
SOURCE: WTO

Figure 7-1. ME/NAF: Merchandise Exports and Petroleum Price Indices, 1990–2001



SOURCE: WTO

Figure 7-2. Share of Manufactures in Total Merchandise Exports, Selected ME/NAF Countries, 1990 and 2001



SOURCE: WTO

Among products exported to the United States, the region has continued to diversify out of primary products toward manufactures (see Table 7-3). Manufactures' share of total merchandise exports to the United States has almost doubled in the last decade at the expense of petroleum products. These numbers are heavily influenced by the price of petroleum. In 1998, before the run-up in oil prices, exports of petroleum products accounted for only 46 percent of the region's shipments to the United States and manufactures 49 percent.

Table 7-3. ME/NAF Exports to the United States, By Product Group, 1990 and 2001

Product	Value		Share in Merchandise	
	(\$ billion)		Exports to United States (%)	
	1990	2001	1990	2001
Total	19.1	40.6	100.0	100.0
Agriculture	0.1	0.5	0.5	1.2
Mining/Petroleum	15.1	24.3	79.1	59.9
Manufactures	3.6	14.9	18.8	36.7
Not Specified	0.3	1.1	1.6	2.7

SOURCE: U.S. import data provided by the U.S. International Trade Commission.

TRADE IN SERVICES

Consolidated WTO commercial services statistics for the ME/NAF region are available only for the 1998-2000 period, largely because of inadequacies in the data from the Middle East. Between 1998 and 2000, commercial services exports from the region rose from \$41.2 billion to \$51.3 billion, a 24.5 percent increase. Merchandise exports grew by 34.1 percent during this same two-year period, largely because of rapidly rising oil prices.

Data on major commercial services exporters from the region are presented in Table 7-4. Egypt and Israel combined account for almost half (47.4 percent) of the region's exports. For countries such as Egypt, Cyprus, Jordan, and Morocco, services exports are an important source of export revenue, in some cases earning several times more than merchandise exports.

Table 7-4. ME/NAF: Commercial Services Exports, Selected Countries, 1990 and 2001

Country	Value		Annual Growth, 1991-2001 (%)	Ratio of Services Exports to Merchandise Exports, 2001
	(\$ billion)			
	1990	2001		
Israel	4.5	11.3	8.4	0.39
Egypt	4.8	8.8	5.7	2.13
Saudi Arabia	3.0	5.2	5.0	0.08
Morocco	1.9	3.8	6.7	0.53
Cyprus	1.8	3.1	5.2	3.15
Tunisia	1.6	2.8	5.3	0.42
Iran	0.3	2.2	18.4	0.09
Jordan	1.4	1.6	1.0	0.69
Kuwait	1.1	1.5	3.4	0.09
Syria ^a	0.7	1.5	7.2	0.32
Algeria ^a	0.5	1.2	9.8	0.06

^aFigures are for 2000.

SOURCE: WTO

U.S.-MOROCCO FREE TRADE AGREEMENT

The Bush Administration has notified the U.S. Congress of its intent to negotiate a free trade agreement (FTA) with Morocco. Negotiations are expected to begin in early 2003. Morocco's exports to the United States in 2001 were \$434.6 million, down 2.2 percent from 2000. In 1990, Morocco's shipments to the United States were \$109.1 million and have grown at an average annual rate of 13.4 percent over the period 1990-2001. By commodity, Morocco's exports to the United States were as follows in 2001:

	<u>Export Value (\$ million)</u>	<u>Total Exports (%)</u>
Agricultural products	49.2	11.3
Mining and fuels	137.8	31.7
Manufactures	236.8	54.5
Not specified	10.7	2.5

Top 10 Exports and Imports with the United States, 2001

<u>Exports to United States</u>		<u>Imports from United States</u>	
<u>Product/ SITC No.</u>	<u>Value (\$ million)</u>	<u>Product/ SITC No.</u>	<u>Value (\$ million)</u>
Apparel (SITC 84)	96.4	Cereals and Preps. (SITC 04)	59.8
Electrical Machinery (SITC 77)	83.0	Transport Equip. N.E.S. (SITC 79)	17.3
Crude Fertilizers (SITC 27)	65.2	Petroleum and Products (SITC 33)	14.8
Petroleum and Products (SITC 33)	64.5	Oil Seeds (SITC 22)	14.1
Vegetables and Fruits (SITC 05)	26.7	Textile Yarn and Fabrics (SITC 65)	13.8
Fish, Crustaceans, Mollusks (SITC 03)	21.5	Gen. Industrial Machinery (SITC 74)	12.7
Inorganic Chemicals (SITC 52)	18.7	Telecom Equipment (SITC 76)	11.8
Fertilizers (SITC 56)	11.9	Power Generating Equip. (SITC 71)	11.4
Commodities N.E.S. (SITC 93)	8.2	Feedstuffs (SITC 08)	10.6
Crude Animal and Vegetable Material (SITC 29)	7.9	Specialized Machinery (SITC 72)	9.2

SOURCE: U.S. import and export data provided by the U.S. International Trade Commission.

8. Least Developed Countries—Merchandise Trade

Despite the decline in world trade and commodity prices in 2001, least developed countries (LDCs) managed to eke out a 1 percent increase in export value terms, earning a record \$37 billion. But LDC exports accounted for less than 2 percent of developing country merchandise exports last year and just 0.6 percent of global trade—a share that has dropped from 0.9 percent in 1980. Altogether, the 49 LDCs (according to the United Nations' definition) exported less than India and just slightly more than Poland.

But aggregate LDC statistics mask a wide divergence among these countries. About equal numbers of LDCs recorded double-digit increases as decreases in exports in 2001. Indeed, about half saw their exports fall, a decline that was offset by the performance of others in the group.

The WTO groups LDCs into four distinct sets—oil exporting, exporters of mainly manufactured goods, exporters of mainly primary commodities, and those experiencing civil strife. The relative strength or weakness of LDC export performance tended to be based on the nature of the commodity exports and the degree of political stability (see Table 8-1).

Table 8-1. LDCs: Merchandise Exports by Country Groups, 2001

	Value (\$ billion)		Annual Percentage Change		
	2001	1990-2001	1999	2000	2001
Oil Exporters (4)	14	12	51	65	-10
Exporters of Manufactures (8)	13	15	7	24	9
Commodity Exporters (31)	9	2	-5	-3	12
LDCs with Civil Strife (6)	1	-9	-19	-12	-7
LDC Total	37	7	11	28	1
World Total	5,929	5	4.0	13	-4

SOURCE: WTO.

Oil-exporting LDCs. Angola, Yemen, Sudan, and Equatorial Guinea generally were hurt by falling oil prices, which caused a 10 percent drop in the value of their exports between 2000 and 2001.⁶ As a result, these countries' share of total LDC exports dropped from 44 percent in 2000 to 38 percent in 2001.

LDCs that export mainly manufactured goods. Bangladesh, Cambodia, Haiti, Laos, Lesotho, Madagascar, Myanmar, and Nepal saw their exports grow about 9 percent in 2001. Most of these countries have posted strong export growth throughout the 1990s.

⁶ Equatorial Guinea was the exception, with exports rising by 53 percent thanks to greatly increased production.

LDCs that export mainly primary commodities. This group has by far the largest number of countries, 31 in all. They have recorded erratic export growth, with ups and downs often determined by weather or cyclical demand in world commodity markets. Exports from this group rose 12 percent in 2001, after declining for several years.

LDCs that are experiencing civil strife. Exports from Afghanistan, Burundi, Democratic Republic of the Congo, Rwanda, Sierra Leone, and Somalia contracted sharply over the past decade, to levels that in some cases are below those of 20 years ago. Exports from these countries dipped 7 percent in 2001, as compared to an average decline of 9 percent since 1990.

Appendix

COMPOSITION OF COUNTRY GROUPINGS

Regions

LATIN AMERICA

Antigua and Barbuda	Dominican Republic	Panama
Argentina	Ecuador	Paraguay
Bahamas	El Salvador	Peru
Barbados	Grenada	Saint Kitts and Nevis
Belize	Guatemala	Saint Lucia
Bolivia	Guyana	Saint Vincent and the Grenadines
Brazil	Haiti	Suriname
Chile	Honduras	Trinidad and Tobago
Colombia	Jamaica	Uruguay
Costa Rica	Mexico	Venezuela and other countries and territories in Latin America n.e.s.
Cuba	Netherlands Antilles	
Dominica	Nicaragua	

CENTRAL AND EASTERN EUROPE, THE BALTIC STATES AND THE COMMONWEALTH OF INDEPENDENT STATES (TRANSITION ECONOMIES)

The grouping former USSR refers to the Baltic States and the CIS.

Central and Eastern Europe	Baltic States	Commonwealth of Independent States
Albania	Estonia	Armenia
Bulgaria	Latvia	Azerbaijan
Czech Republic	Lithuania	Belarus
Hungary		Georgia
Poland		Kazakhstan
Romania and the Slovak Republic		Kyrgyz Republic
		Republic of Moldova
		Russian Federation
		Tajikistan
		Turkmenistan
		Ukraine
		Uzbekistan

SUB-SAHARAN AFRICA**Western Africa**

Benin
Burkina Faso
Cape Verde
Côte d'Ivoire
Gambia
Ghana
Guinea
Guinea-Bissau
Liberia
Mali
Mauritania
Niger
Nigeria
Senegal
Sierra Leone
Togo

Central Africa

Burundi
Cameroon
Central African Republic
Chad
Congo
Democratic Republic of the Congo
Equatorial Guinea
Gabon
Rwanda
Sao Tome and Principe

Eastern Africa

Comoros
Djibouti
Eritrea
Ethiopia
Kenya
Madagascar

Mauritius
Seychelles
Somalia
Sudan
United Republic of Tanzania
Uganda

Southern Africa

Angola
Botswana
Lesotho
Malawi
Mozambique
Namibia
South Africa
Swaziland
Zambia
Zimbabwe and territories in Africa
n.e.s.⁷

MIDDLE EAST AND NORTH AFRICA**Middle East**

Bahrain
Cyprus
Iraq
Islamic Republic of Iran
Israel
Jordan
Kuwait

Lebanon

Oman

Qatar

Saudi Arabia

Syrian Arab Republic

United Arab Emirates

Yemen and other countries and
territories in the Middle East

n.e.s.

North Africa

Algeria
Egypt
Libyan Arab Jamahiriya
Morocco
Tunisia⁸

⁷ The WTO regional grouping is Africa, which also includes the countries of North Africa listed in the regional description for the Middle East and North Africa.

⁸ The WTO regional grouping is the Middle East and it excludes North Africa, which the WTO includes in an Africa grouping.

DEVELOPING ASIA**West Asia**

Afghanistan
 Bangladesh
 Bhutan
 India
 Maldives
 Nepal
 Pakistan
 Sri Lanka

East Asia (including Oceania)

Brunei Darussalam
 Cambodia
 China

Fiji
 Hong Kong Special
 Administrative Region of China
 (Hong Kong, China)
 Indonesia
 Kiribati
 Lao People's Democratic
 Republic
 Macau, China
 Malaysia
 Mongolia
 Myanmar
 Papua New Guinea
 Philippines

Republic of Korea
 Samoa
 Separate Customs Territory of
 Taiwan, Penghu, Kinmen and
 Matsu (Taipei, Chinese)
 Singapore
 Solomon Islands
 Thailand
 Tonga
 Tuvalu
 Vanuatu
 Viet Nam
 And other countries and
 territories in Asia and the
 Pacific n.e.s.⁹

⁹ The WTO regional grouping is Asia, which also includes Australia, Japan, and New Zealand.

Regional Integration Agreements

ANDEAN

Bolivia
Colombia
Ecuador
Peru
Venezuela

ASEAN

Brunei Darussalam
Cambodia
Indonesia
Lao People's Democratic Republic
Malaysia
Myanmar
Philippines
Singapore
Thailand
Viet Nam

MERCOSUR

Argentina
Brazil
Paraguay
Uruguay

Other Country Groups—Least Developed Countries

Afghanistan	Ethiopia	Nepal
Angola	Gambia	Niger
Bangladesh	Guinea	Rwanda
Benin	Guinea-Bissau	Samoa
Bhutan	Haiti	Sao Tome and Principe
Burkina Faso	Kiribati	Senegal
Burundi	Lao People's Democratic Republic	Sierra Leone
Cambodia	Lesotho	Solomon Islands
Cape Verde	Liberia	Somalia, Sudan
Central African Republic	Madagascar	Togo
Chad	Malawi	Tuvalu
Comoros	Maldives	Uganda
Democratic Republic of the Congo	Mali	United Republic of Tanzania
Djibouti	Mauritania	Vanuatu
Equatorial Guinea	Mozambique	Yemen
Eritrea	Myanmar	Zambia